

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS**

In re:)	Chapter 11, Subchapter V
)	
United Structures of America, Inc. and)	Case No. <u>20-30104</u>
Green Head LLC, ¹)	
)	(Joint Administration Pending)
)	
Debtors.)	Honorable <u>Jeffrey P. Norman</u>

DECLARATION OF DAIN DRAKE

I, Dain Drake, hereby declare as follows:

1. I am the President of the debtors-in-possession in these bankruptcy cases (collectively, the “**Debtors**”). I have been involved in the Debtors’ preparation for the commencement of these bankruptcy cases.

2. As President of the Debtors, I have extensive familiarity with the day-to-day operations, business affairs, books, and records of the Debtors. I am authorized by the Debtors to submit this Declaration. I am familiar with the Debtors’ relationships with its debtors, creditors, and the matters in which they are involved in ongoing litigation.

3. I submit this declaration (this “**Declaration**”) pursuant to 28 U.S.C. § 1746 in support of the Debtors’ voluntary petitions for reorganization under subchapter v of chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) and first day motions and applications filed contemporaneously herewith. Except as otherwise indicated, the facts set forth in this Declaration are based upon my personal knowledge, my review of the relevant documents, and/or my opinion based upon personal experience and knowledge of the Debtors’ businesses and financial condition. If called upon to testify, I could and would testify competently to the facts set forth in this Declaration.

¹ A Motion to Jointly Administer the bankruptcy estates of the debtors is being filed contemporaneously herewith.

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4. United Structures of America, Inc. (“USA”), is a company in the business of fabricating steel and designing steel structures. USA purchases raw steel from suppliers, and processes the steel to the specifications of USA’s customers as well as designs steel-based buildings and structures. At the height of USA’s business, in 2000, USA had over 450 employees, and annual revenues of \$100,000,000.00.

5. Green Head, LLC (“Green Head”) was formed for the sole purpose of providing liquidity to USA during USA’s wind down process. Green Head has no debtors or creditors and is being placed into bankruptcy alongside USA so that USA may utilize Green Head’s existing funds to pay for the costs associated with these bankruptcy cases.

Financial Records

6. Section 1116(1) of the Bankruptcy Code requires filing, with the petition, of a balance sheet, a cash-flow statement, a statement of operations, and the most Federal income tax return, or an explanation for why any of these documents do not exist. The tax return for each Debtor is attached to the petition in its respective case.

7. On or about May 25, 2019, hackers remotely installed ransomware in USA’s computer network, and destroyed all of the information on USA’s servers, more than four-hundred computers, as well as its computerized numerical control (CNC) equipment and machinery. Many of these devices were not only wiped out but rendered unusable by the ransomware. USA reported the hacking to the appropriate law enforcement authorities. The attackers requested a ransom to be paid in bitcoin within three days and committed to in return for restoring USA’s electronic data. After not receiving any solution from law enforcement, USA paid the attackers the requested ransom, but USA’s data was not returned.

8. The ransomware attack cost USA significant sums of money, and USA lost its data relating to accounts receivable, accounts payable, current orders, customer information,

current CNC machinery files, along with essentially all of its business data. After the ransomware attack, USA has been methodically winding down its operations. Because USA's financial documents were lost, and because I have personally and largely alone handled the wind down, I have not prepared section 1116(1) documents for the past several years, other than tax returns.

9. Section 1116(1) documents have never been prepared for Green Head, other than its tax return, which is attached to Green Head's petition. The preparation of these documents was unnecessary for Green Head given its function.

Motions and Applications

10. Concurrently with or shortly after the filing of the chapter 11 cases, the Debtors are filing certain motions and applications requesting various forms of relief.

A. MOTION FOR ENTRY OF AN ORDER PURSUANT TO RULE 1015(B) OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE DIRECTING JOINT ADMINISTRATION OF THE DEBTORS' CHAPTER 11 CASES

11. The Debtors will present a motion requesting the entry of an order providing for the joint administration, but not the substantive consolidation, of the chapter 11 cases. I believe that the joint administration of the Debtors' respective estates is warranted and will promote efficiency.

12. Given the fact that Green Head was the business that provided funding to USA through a loan Green Head obtained, and that Green Head holds the majority of the funds that will be used to fund these Chapter 11 Cases, I submit that the joint administration of these chapter 11 cases is in the best interests of the Debtors' creditors and all other parties in interest.

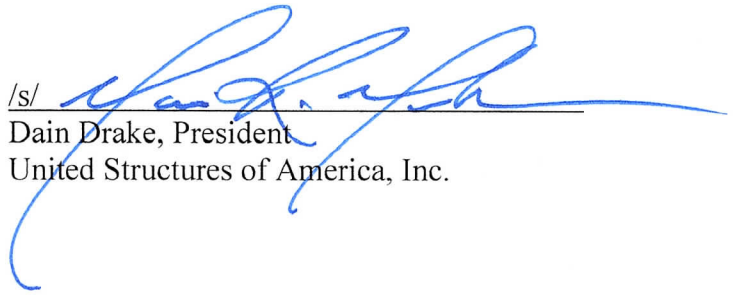
B. APPLICATION TO RETAIN AND EMPLOY FROST BROWN TODD LLC AS BANKRUPTCY COUNSEL AND LITIGATION COUNSEL FOR DEBTORS IN POSSESSION

13. The Debtors propose to engage Frost Brown Todd LLC ("**FBT**") to act as bankruptcy counsel and litigation counsel. The Debtors assert, and I believe, this retention is the most effective and efficient manner of continuing and completing the successful wind down of USA and Green Head through the bankruptcy process. I believe that FBT is well qualified to handle the Debtors' bankruptcy representation, and as FBT is already counsel for Debtors in its litigation matters, it will be able to seamlessly transition to representing the Debtors as debtors in possession of their bankruptcy estates in those same matters, and maximize the estates' ability to collect on its outstanding accounts receivable and in its pending offensive litigation.

I, Dain Drake, the President of the Debtors, declare under penalty of perjury that the foregoing is true and correct.

Date: January 11, 2022

/s/


Dain Drake, President
United Structures of America, Inc.

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